

Article - Local Government

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§16–308.

(a) Each county shall adopt uniform rules and regulations for the auditing of the financial records of each special taxing district created by the county that:

(1) receives money collected by the county from a county property tax imposed at the request of the special taxing district;

(2) has annual expenditures exceeding \$250,000; and

(3) has money disbursed and expended independently of the county government.

(b) At a minimum, the rules and regulations required under subsection (a) of this section shall require the audit to:

(1) be conducted by:

(i) a certified public accountant:

1. acting in the capacity of an independent auditor or an official auditor of the county; and

2. who is in compliance with the Maryland Public Accountancy Act; or

(ii) an auditing committee approved by the official auditor of the county;

(2) determine if tax funds have been received, deposited, and disbursed in accordance with approved appropriations and State and local law;

(3) include the following financial statements:

(i) a balance sheet;

(ii) a statement of revenues;

(iii) a statement of expenditures and encumbrances; and

(iv) a statement of changes in fund balance; and

(4) be completed and filed with the appropriate county officials not later than 90 days after the close of the fiscal year.

(c) For a special taxing district that is created by the county and has annual expenditures of less than \$250,000, the county shall require:

(1) an annual financial report; and

(2) an audit every 4 years unless the county determines, on a case-by-case basis, that more frequent audits are required.

(d) If a special taxing district subject to subsection (a) or (c) of this section does not file a financial report or audit report required by the county, the county may withhold the distribution of taxes imposed on behalf of the special taxing district until the report is received.

(e) (1) When a county files its audit report with the Legislative Auditor as required by § 16–306 of this subtitle, the county also shall submit:

(i) a copy of each financial report and audit report received from each special taxing district subject to subsection (a) or (c) of this section; and

(ii) a report on the results of the county’s review of each special taxing district’s compliance with this section.

(2) The Legislative Auditor shall:

(i) review the financial reports, audit reports, and other information received from each county; and

(ii) submit recommendations as appropriate based on the results of the review.

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